



Department of Justice



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FINANCIAL FRAUD ENFORCEMENT TASK FORCE ANNOUNCES LOCAL RESULTS OF "OPERATION STOLEN DREAMS" TARGETING MORTGAGE FRAUD

Detroit, Michigan - Following an announcement today by Attorney General Eric Holder in Washington, DC, representatives of the Financial Fraud Enforcement Task Force in Detroit, Michigan, including U.S. Attorney Barbara L. McQuade; Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation; Special Agent in Charge Breck Nowlin, Housing and Urban Development - Office of Inspector General; Special Agent in Charge William Callahan, United States Secret Service; Michigan State Police; Michigan Attorney General's Office; Wayne County Prosecutor's Office; and the Office of the United States Bankruptcy Trustee, announced the local results of the nationwide takedown, "Operation Stolen Dreams," the largest collective enforcement effort ever brought to bear in confronting mortgage fraud in the Eastern District of Michigan and throughout the country.

President Obama's interagency Financial Fraud Enforcement Task Force, which was established to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes, organized the sweep. Since March 1, 2010, Operation Stolen Dreams has involved 1,215 criminal defendants nationwide, including 485 arrests, who are believed to be responsible for more than \$2.3 billion in losses. The Operation has also resulted in 191 civil enforcement actions and the recovery of more than \$147 million.

"Mortgage fraud ruins lives, destroys families and devastates whole communities, so attacking the problem from every possible direction is vital," said Attorney General Holder. "We will use every tool available to investigate, prosecute, and prevent mortgage fraud, and we will not rest until anyone preying on vulnerable American homeowners is brought to justice."

U.S. Attorney Barbara L. McQuade stated, "Mortgage fraud is a serious problem because it often leads to foreclosures and vacant homes, which reduce property values and create havens for criminal activity."

Special Agent in Charge Andrew G. Arena stated, "Mortgage fraud has had a devastating impact on communities across the United States. In southeast Michigan, families have been directly affected by decreasing values of homes, deteriorating neighborhoods, negative impacts on the stock market, and the increasing costs of borrowing. Together with our partners, the FBI is committed to bring the perpetrators to justice and establish a deterrent against mortgage fraud activity in the future."

HUD-OIG Special Agent in Charge Breck Nowlin stated, "The State of Michigan knows first-hand the devastation mortgage and real estate fraud can cause to entire neighborhoods, local communities and city economies. The HUD-OIG in partnership with the United States Attorney's Office, the Michigan Attorney General, the Federal Bureau Of Investigation, the Secret Service, the Internal Revenue Service, FHA and other federal, state and local law enforcement agencies are committed to protecting the scarce resources for those who desperately need assistance and ensuring the real risk, the risk of incarceration, falls to those who would defraud the mortgage system."

Unlike previous mortgage fraud sweeps, Operation Stolen Dreams focused not only on federal criminal cases, but also on civil enforcement,

recovering money for victims and increasing cooperation with state and local partners.

The United States Attorney's Office has increased its civil division resources directed at mortgage fraud in order to bring civil suits under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), a powerful civil enforcement tool that can be used to impose significant civil money penalties on wrongdoers. In addition, the office is initiating community outreach, working with local groups to educate the public on newer financial arrangements including those that exploit the elderly population with dishonest reverse-mortgage schemes. In addition, the Civil Division has been involved in the seizure of millions of dollars in assets - \$950,000 in one case alone (*United States v. Michael Stacey*).

In April of this year, the United States Attorney's Office for the Eastern District of Michigan, along with its partners in the Financial Fraud Enforcement Task Force, hosted a Mortgage Fraud Summit. That Summit brought together several community groups, including AARP, Detroit Branch of the NAACP, the House Opportunity Center for Southwest Solutions, the Congress of Arab American Organizations, the Elder Law Clinic, Legal Aid and Defender's Office, Michigan Foreclosure Task Force, Michigan Fair Housing Commission and the Office of Financial and Insurance Regulations. As a result of that initiative, efforts to fight and prevent mortgage fraud have been invigorated through a multi-agency and multi-disciplinary approach. Victims of these fraud schemes will find an easier path to resources that can limit the impact on their lives. Restitution is being pursued from many angles and participants in the criminal activity are finding it harder to hide. The United States Attorney's Office for the Eastern District of Michigan is dedicated to its partnership with community groups that educate the public in an effort to prevent fraud schemes and offer support for those who have fallen victim.

The President's Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit <http://www.stopfraud.gov/>.

In the Eastern District of Michigan, between March 1, 2010 and today, "Operation Stolen Dreams" has resulted in 25 individuals being charged by way of complaint, information or indictment. In addition, 10 people have pleaded guilty to mortgage related crimes and 11 individuals have been sentenced as a result of their crime.